

No. 1 -

ORGANIZATIONAL DEVELOPMENT, OFFICE OF REPORTS AND ESTIMATES,
1946-1950

1946-1950

The intelligence-producing office of the Central Intelligence Agency existed from 1946 to 1950 under three different names: the Central Reports Staff, the Office of Research and Evaluations, and the Office of Reports and Estimates. In its first manifestation, although it was little more than a group of people rather hastily brought together as a result of the President's request for immediate delivery of a daily summary of current intelligence, it had definite and practical plans for future production of the type of "strategic and national policy intelligence" called for in the first directives of the National Intelligence Authority. Under its other titles (the change was made October 29, 1946 out of deference to the State Department) it was a constantly expanding, frequently reorganized combination of research facility, producer of national intelligence, and custodian of a miscellany of functions, some of them marginal in reference to the original purposes for which the Office was designed. What the Office was able to accomplish during this period is indicated in the following studies (particularly Nos. 10-18). The present paper discusses various plans of organization under which the Office attempted to discharge its function.

THE CENTRAL REPORTS STAFF, FEBRUARY-JULY 1946

By the second directive of the National Intelligence Authority, the Director of Central Intelligence was instructed to proceed with the

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dissemination of strategic and national policy intelligence; and simultaneously to produce summaries of current intelligence. The Director delegated this dual task to the Central Reports Staff which consisted of five people assigned by State, eight by War, and four by Navy who met for the first time in Room 2C71h, the Pentagon, early in February 1946. On the fifteenth, they produced the first issue of the Daily Summary.

This group was organized informally as a "current" and "estimates" staff under a single chief. Because the group was as yet considered incapable of undertaking the work of estimates production, the "current" section alone was active; in other words, the sole immediate pre-occupation of the group was with daily current intelligence.

It was intended that both the intelligence summaries (and the estimates when produced) would be based on information furnished by the Agencies. The function of the Staff was to integrate all current information received, primarily for the use of the President. Theoretically, this might be done by a few competent news analysts.

It was found necessary, however, even for the purpose of making an intelligent selection of dispatches, to have reference to area experts. It was therefore proposed by the chief of the Reports Staff on March 15, 1946 that there be added to the "Current Section" eight senior and four junior analysts to aid in the selection and presentation of current intelligence. On April 15, a more concrete organizational

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proposal was made to the effect that the Central Reports Staff should consist of (a) an "Office of the Chief" containing the Chief, his Deputy, the Editor and Assistant Editor of the daily summary, and a "Secretary"; and (b) five geographical "branches" whose principal purpose, for the time being, would be to advise the Staff in matters of current intelligence. These "Branches" and their complement were specified as: "Western Europe-Africa; Eastern Europe-USSR; Middle East-India, and Far East-Pacific with ten employees each; and "Western Hemisphere" with seven.¹

It was at the same time proposed that four persons of the rank of "Colonel-Captain-P-8" be sent to the Central Reports Staff on permanent assignment from the various Agencies, as "assistants" to the Staff. This last request represented the essential element in the plan for the Central Reports Staff as originally conceived.

Had the scheme been brought to fruition, these "assistants" would have been, if not empowered to speak for the chiefs of the agencies they represented, at least fully cognizant of their official views. They would be in position to know, both in the case of intelligence estimates and of current intelligence, what their agencies would and would not be prepared to say. As experts in the field of intelligence, furthermore, they would be able to aid Central Intelligence in the preparation of estimates and of current intelligence items. In cases of unavoidable disagreement, they would be able collectively to

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1. This part of the organization will, for convenience, be referred to constantly in this study as "The Branches" despite the fact that all "Branches" became "Divisions" in 1949.

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1. For a discussion of the methods of coordination actually adopted, see No. 9

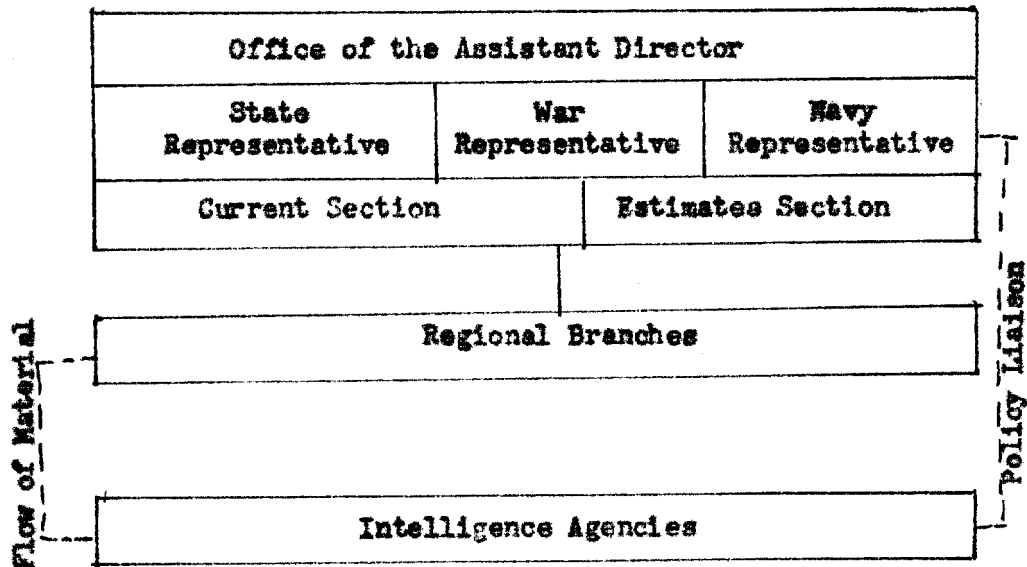
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help formulate dissents satisfactory to all parties in accordance with the directives which called for statements of "agreed" dissent. Through working association with the Central Reports Staff, the "assistants" would gain a familiarity with the Central Intelligence point of view which would be valuable in their relationships with their own agencies. Wartime experience had shown this method of producing joint intelligence to be eminently practicable in relation to other modes of procedure.¹

Had the plan been put into effect, the Central Reports Staff could have been organized somewhat in accordance with the following plan:

TAB A

Proposed Organization of CRS, April 1946



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Such a plan would call neither for an elaborate organization nor for a large group of people. Aside from the Assistant Director, his Deputy, and the three (or four) agency representatives, there might be the forty-seven senior and junior analysts mentioned above and such added secretarial and professional help as might later be required. As the Agency representatives became accustomed to their dual role, the task of producing "coordinated" intelligence should be facilitated.

The plan was never given a trial. Agency "Assistants" were finally assigned, but they were not given the necessary status either with respect to the Group or to their respective agencies. Only one of them was physically stationed in Central Intelligence.¹ Correspondence between Central Intelligence and the Agencies was routed through them, but they fell far short of performing the functions originally intended.²

THE OFFICE OF RESEARCH AND EVALUATIONS, JULY-OCTOBER 1946

The Central Reports Staff, as such, may be said to have lasted four months. The event that changed it--that had the effect of creating an altogether new and different situation--was the signing of the Fifth Directive of the National Intelligence Authority on July 8, 1946. According to this Directive "....the Director of Central Intelligence is hereby authorized to undertake such research and analysis as may be necessary to determine what functions in the fields of national security intelligence

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- 1. The Navy representative, Captain S. B. Frankel, became Chief of the Eastern Europe/USSR Branch in the Office of Reports and Estimates. The others remained in their home offices.**
- 2. For a discussion of this plan see Darling, A. B., History, Chapter IV, pages 46-52.**

as are not being presently performed or are not being adequately performed. Based on these determinations, the Director of Central Intelligence may centralize such research and analysis activities as may, in his opinion and that of the appropriate member or members of the Intelligence Advisory Board, be more efficiently or effectively accomplished centrally."

Under these terms it was theoretically possible for the Central Intelligence Group to systematize intelligence research within the government as a whole. It was also possible, under the circumstances, that the group might become a fourth (or fifth) agency not so much coordinator as competitor.

The change of title from "Central Reports Staff" to "Office of Research and Evaluations" came about on July 19, as a direct result of the Fifth Directive. This decision of the National Intelligence Authority had certain other direct effects on the Office.

The first had to do with its size. The proposed Branch organization for the Central Reports Staff had called only for professional advisers to the "Office of the Chief." The new Directive opened the way for a large staff of analysts and all the paraphernalia that goes with intelligence research. Had the resultant expansion occurred under different circumstances, with more time to consider the implications, and fewer distractions within the office, it might have been taken care of with less marked consequences. As it was, the influx of new employees helped to introduce confusion into the problem of organization.

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Once Central Intelligence had at its command the research facilities for which it had originally expected to have to depend upon the Agencies, it had achieved a position of dubious strength. It had control of an intelligence research organization, but it did not have control of the entire intelligence research organization. It was, in effect, partly independent and partly dependent. Its own research unit was competent but not omni-competent. Yet for the purpose of making estimates, the Office of Research and Evaluations was naturally tempted to rely primarily on its own facilities. It had to be aware, nevertheless, that it could acquire certain types of information, particularly regarding military strengths, only from the outside; and that the Agencies could and did withhold information when they chose.

Meanwhile, the Agencies were dismayed at the establishment of an intelligence research activity in Central Intelligence. As the chief of the Central Reports Staff wrote in January, 1947, the effect of the change made by the Fifth Directive was not only to obscure the original function of Central Intelligence (to produce "strategic and national policy intelligence") but to create alarm within the Agencies which could not be convinced that their own functions were not being duplicated--because in fact they were.¹ It was these Agencies that Central Intelligence was created to "coordinate." The Office of Research and Evaluations would have the leading part in this endeavor. The atmosphere created as a result of the Fifth Directive added greatly to the difficulties that coordination was certain to entail. (See No. 9) To that extent it complicated the problem of discovering a successful plan for organizing the Office.

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1. See Montague's "Souvenirs"

Other changes that took place simultaneously with the formation of the Office of Research and Evaluations had marked effects on the development of the Office. With the arrival of a new Director of Central Intelligence came a new Committee (the Interdepartmental Coordinating and Planning Staff) which was, in effect, interposed between the office of the Assistant Director for Research and Evaluations and that of the Director. Also at the time when the Office was undergoing such radical change, a new and less experienced Assistant Director took the place of the Chief of the Central Reports Staff (who had been acting) with the duty of presiding over the expanding force.

On July 22 a functional chart of the Central Intelligence Group (See Tab B) was published setting forth the duties of the Group under the new dispensation. According to this chart, the Office of Research and Evaluations:

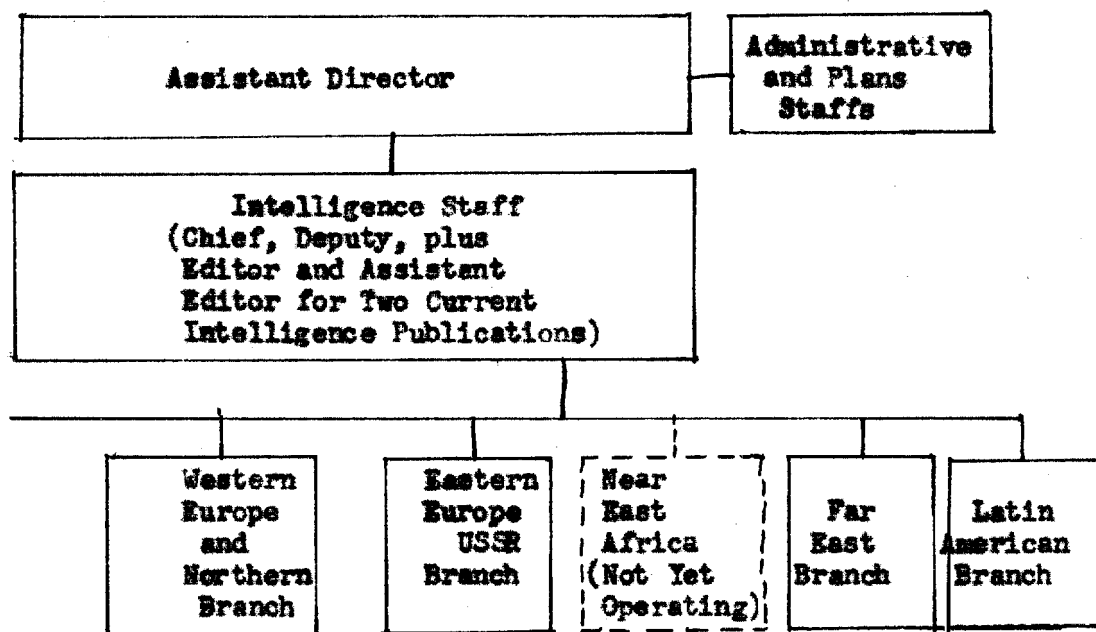
1. "...establishes requirements for and produces strategic and national policy intelligence affecting the national security for use as required by the various departments of the government.
2. In close coordination with appropriate intelligence divisions of participating governmental agencies, conducts the necessary review, research, evaluation and integration of foreign information and intelligence and evaluates the significance of trends and developments as they affect national security."

This broad description was applicable to the functions of the office as planned more than as in operation. In point of fact, the

Office of Research and Evaluations, being simply the Central Reports Staff renamed, was confining itself almost entirely to current intelligence which now included a weekly digest, first published June 7. For this purpose it had developed an organization represented in Tab C.

TAB C

OFFICE OF RESEARCH AND EVALUATIONS, 1946



A more fully developed chart would show signs of other activities representing, for the most part, the expectation that the Office of Research would include a full-sized reference unit; but these were the essential ones. As to its business, the Office was receiving daily a fair volume of State Department telegrams, military dispatches, and miscellaneous reports from the Agencies and the Strategic Services Unit. These were scanned by the Editors and digested by the small Branch

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organization. Between them, the analysts and editors selected those of sufficient importance for inclusion in the Daily and condensed them for publication. The information so received was further summarized at the end of the week in the weekly summary.

The Regional Branches contained persons familiar with the areas represented; the Editors were trained observers of the international scene. Pending the arrival of specialists on Near Eastern Affairs, one of the editors took general charge of intelligence from the Near East-Africa. Despite the apparent inadequacy of such a small group, it was able to produce Summaries that will stand comparison with those produced later by a larger, more highly organized staff.¹

As a result of the decisions of July 8, however, the small staff was due for considerable increase. Despite the employment difficulties created by the peculiarities of intelligence, new employees began to appear in relatively large numbers after August. Many of them were brought into the Central Intelligence Group without knowing, except vaguely, what it was, or what their work was to be. There was no opportunity to give them a grounding in the theories of central intelligence on which the Group had been founded nor to disabuse them of the idea (which must have seemed self-evident to many of them under the circumstances) that current intelligence was the primary if not sole function of the office.

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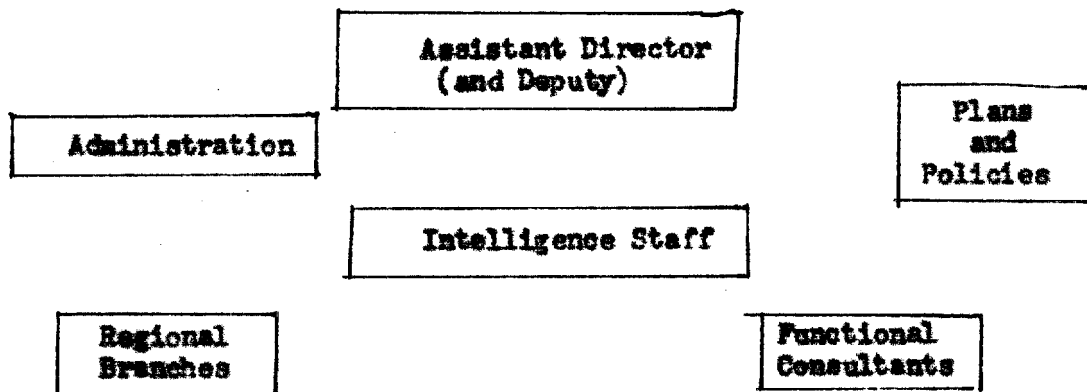
1. For a more detailed description of the above process, see No. 17

ORGANIZATION IN PRACTICE

Meanwhile, the Office of Research and Evaluations developed a scheme of organization which may be seen in the accompanying chart dated November 22, 1946 (Tab D). In actual practice, however, the organization of the Office appeared more nearly as outlined in Tab E attached.

TAB E

SKELETON ORGANIZATION AS OF END OF 1946



Conventional lines of relationship have been deliberately omitted from this chart because they might be misleading, particularly with relationship to the Intelligence Staff. The "Branches" did not report directly to the Intelligence Staff, nor did they report exactly to the Assistant Director. (This problem will be further discussed below.) Whereas the place of "Administration" may have been clear by virtue of the functions of such an office, that of Plans and Policies was less clear.

This activity, a descendant of a "Plans and Requirements" group that had been part of the plans for the Central Reports Staff, was designed as a staff for the Assistant Director which would aid him in external relationships and in making plans for the future of the Office. Its connection with the actual production of intelligence should have been no more direct than that of "Administration." Its true function was to keep the intelligence-producing apparatus from being distracted by marginal intelligence problems. In point of fact, during the ensuing three years, the Plans and Policies Staff involved itself in many problems of intelligence production and was largely instrumental in engineering the various reorganizations discussed below. This point is not, however, gone into here.

The original four regional Branches had become six by November 1946: "Eastern Europe-USSR" to cover the Soviet Union and its European satellites; "Western Europe" for the countries of Western Europe and their colonial possessions; the "Northern Branch" for Scandinavia, the United Kingdom, and the British Empire; "Near East-Africa" for the Near East (including India) and Africa; "Far East-Pacific" for the Far East (including Burma) and the Pacific Islands, and "Latin America" for the Western Hemisphere south of the United States. (See accompanying map for exact divisions)

The "Functional Consultants" (i.e. specialists in fields such as economics and science) were to have been attached to the regional branches where they could give professional advice to regional specialists.

This plan was changed, however, and independent functional branches were set up: an Economics Branch on December 4, 1946, and later, branches for International Organizations, Science, and Transportation.

The brief connection of Scientific Intelligence with the Office of Reports and Estimates is considered a part of a different development and is omitted here.¹

Meanwhile, as an indirect consequence of the addition of the research function, the Office was caused to engage in a new and unexpected research activity. In February 1947, the Interdepartmental Coordinating and Planning Staff circulated a draft directive, outlining a new "Production Program" for the Office of Research and Evaluations. For the most part, this was merely a recapitulation of what the Office was already doing, but it added a new feature in the form of "Situation Reports." The draft directive did not make altogether clear what these were to be ("analyses of the strategic and national policy aspects of the situation in each significant country or other appropriate geographical area or with respect to significant functional subjects of continuing interest") but it was obvious that they would not represent the type of estimate that the office had been created to handle.

Whatever the Office of Research and Evaluation might become capable of at a later date, it did not claim, in February 1947, to be able to do much more than furnish the President with summaries of current intelligence. Those in charge were just then seeking a practical solution of

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- 1. For the essentials in this development, see Darling, A. B., History, Chapter IV, pages 103-111**

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- 1. The Situation Report program is fully discussed in No. 15**

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the problem of producing strategic and national policy intelligence estimates. By coincidence the long-delayed "estimates staff" planned for the Central Reports Staff as a companion piece to the "current staff" became a reality almost simultaneously with the demand for "Situation Reports." It was upon this group, which should have been fully occupied with the problem of inaugurating an estimates program, that the duty of getting out the Situation Reports would fall.

Situation Reports would call for basic research, a function that had not been contemplated for the office and for which no preparation had been made. If there was any thought of delegating the function to the "Basic Intelligence" (National Intelligence Survey) Group, it was not realized; nor was this group much better designed for the purpose.

The Office of Research and Evaluations, as has already been noted, was almost fully occupied at the time with the problem of producing the Daily and Weekly Summaries and had furthermore already been charged with a number of other more or less extraneous activities (e.g. interviews with government officials en route to or returned from foreign stations; weekly oral presentations). The intrusion of the new program complicated its difficulties. The estimate of the Coordinating and Planning Staff that the Office could produce twelve Situation Reports in one month proved to be over-optimistic. It took more than this to contrive an outline that would serve as a basis for the production of even the first.¹

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DEVELOPMENT OF CONFLICT

The change from the Central Reports Staff to the Office of Research and Evaluations did not involve much immediate internal change so far as the operations of the office were concerned. With the arrival (fall of 1946) of an Assistant Director with permanent status who was soon provided with a deputy of permanent status also, the former Acting Assistant Director (for the Reports Staff) became the Chief of the "Intelligence Staff" (see Tab D). The Intelligence Staff was in effect what had been the "Office of the Chief" under the plans for the Central Reports Staff (see p. 3 above). Its duties and responsibilities, rather than being carefully set down on paper, were tacitly assumed to be what they had been previously, minus the official administrative functions of the Assistant Director. If so, the Staff would be directly responsible for intelligence produced to the Assistant Director and the Branches to the Intelligence Staff. Under this plan the Intelligence Staff would become a board of review which would pass upon all proposed estimates before they could be circulated to the Agencies or published.

At the moment, however, as has been noted, almost all intelligence produced was in the form of the two intelligence summaries. This fact may have had a bearing on the development of the Intelligence Staff. Only four hours intervened between the receipt of information and the publication of the Daily; while most articles for the Weekly Summary

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were not ready for final review until the morning when the Weekly was published. The consequent pressure tended to obviate all but surface editing with respect to the Daily and often of the Weekly as well; and to make the exercise of critical judgment on the part of the Intelligence Staff seem in the nature of obstructionism. When the producers regarded it as such, they were inclined to go past the Staff to the Assistant Director.

If the result was publication or attempted publication of material believed by the Staff to be below the proper standards for the Central Intelligence Group, the Staff was naturally inclined to protest. It was natural that conflict between the Staff and Branch groups should have resulted.

Essentially, of course, the conflict between the Branches and the Intelligence Staff was the same that usually exists between author and editor. It was complicated by the nature of the organization. The Branch analysts, as "experts," insisted that no "substantive" changes should be made in their copy by non-expert editors. The review function originally envisaged for the Intelligence Staff, however, required that its editors should make such changes on occasion. Arguments occasioned by this disagreement could become acrimonious.

Had the producing units been directly under the Intelligence Staff, the problem would have been relatively easy to handle. Since this relationship was in question, compromise was in order. Compromise was tried, and with success, but fundamental disagreement could not be handled indefinitely by compromise.

For example, publication of a Weekly article was naturally a goal of analysts, who offered more material than could be published. The quality of the material was sometimes dubious, and members of the Staff considered it necessary to rewrite some articles. From the point of view of the Staff, this duty represented an undue burden occasioned by the inability of the Branches to do acceptable work. From the point of view of the Branches, it represented dangerous interference by amateurs.¹

It was the Staff that finally brought the issue into the open, although action against the Staff had already been begun covertly by certain Branch interests.²

On April 17, 1947, the Chief of the Intelligence Staff, in the form of a memorandum addressed to the Assistant Director but circulated also to the Branch Chiefs, set forth the Staff point of view. The principal endeavor of the memorandum was to demonstrate that in actual practice, the distinction between "substantive" and "editorial" was far more apparent than real. For if, wrote the chief of the Intelligence Staff, the Branches "....'express substantive judgment' without the intelligible use of language....they run grave risk of 'substantive' alteration of their copy; whereas, unless the Intelligence Staff has a responsibility to render copy meaningful, it has no function at all." The memorandum was clearly asking for a showdown to determine the responsibility for intelligence production as between the Staff and the Branches. It closed with a request that the Assistant Director call a meeting to discuss the subject on April 25.

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- 1. See "The Central Intelligence Agency As An Instrument of Government, Chapter IV, pp. 55-60, for a discussion of this development.**
- 2. Simons, G. P. to S. A. Dulany Hunter, April 21, 1947 (Chapter IV, Footnote #57)**

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- 1. Simons, G. P. to S. A. Dulany Hunter, April 21, 1947 (Chapter IV, Footnote #57)**

The meeting was never called. The Assistant Director replied that it would not be necessary as he was at that very time preparing a delineation of responsibility. His plan became effective three months later.

THE JULY 1947 REORGANIZATION

It was unfortunate that the controversy became centered in the editorial function and that personalities should have become involved in it. The true problem lay not in the extent to which non-expert editors are competent to edit expert copy but in whether or not such an organization as the Office of Research and Evaluations could serve its purpose effectively without a board of final review. The question could have been answered through a realistic appraisal of the results if the Branches were made severally independent in production of intelligence on their several areas. This in point of fact seems to have been what the Branches would have preferred. For reasons too obvious to enumerate, an organization so based could not have produced ideal results.¹

A supra-branch reviewing organization was essential for the purposes of the Office. It could take many forms. It could consist of one individual; a committee consisting of a single head with assistants; a committee of several equals; several committees. It could not, however, be circumscribed in the discharge of its functions. To introduce distinctions between what it might and might not do with respect to "substance"

would be to render it meaningless. The problem could not be solved by changing the identity of the particular reviewing group that happened to be in existence.

The reorganization under discussion, however, seems not to have taken these facts fully into account. The idea of vesting the function of final review in the Intelligence Staff was rejected. Those rejecting it, however, did not attempt the opposite solution by omitting the review function altogether. Instead, they set up new boards of review. In doing so, they failed to answer the question raised by the Chief of the Intelligence Staff in April concerning Staff responsibility. The new boards were left in a position quite as ambiguous as that occupied by the Intelligence Staff.

The Intelligence Staff, as it had existed just before the reorganization consisted of (a) its chief and deputy; (b) the editor and assistants who did the practical work of producing the intelligence summaries; and (c) the chief and assistants who were the nucleus of the "estimates group." These three, performing separate functions, were yet unified under a single head. Had this head been at the same time the Assistant Director's deputy for intelligence, the staff would have constituted a workable board of final review.

As a result of the reorganization, the Intelligence Staff was in effect divided into three independent parts. Its chief and deputy chief became the "Global Survey Group," lumped in with the regional and functional branches as a "producing" unit concerned with intelligence of world-wide significance as opposed to intelligence of primarily

regional significance. This function either implied that a distinction was always possible between the two types of papers--which was clearly contrary to fact; or that the Global Survey Group would have a supervisory function with respect to much of the intelligence produced. It was not, however, officially accorded this function.

The status of the second group--that devoted to current intelligence--was unchanged by the reorganization, except that the editor of the summaries was no longer bound to consult with an officer between him and the Assistant Director. In this case, however, the nature of the work was such that there was little time for consultation in any case. The current summaries were, by this time, being produced through fairly well established routines.

The position of the "Estimates Group" under the new arrangement was similar to that of the current group in that its chief was now in direct relation with the Assistant Director. Estimates intelligence, however, was not as yet organized. Few estimates had been published and not many were in prospect. Yet it was evident that eventually a program of national estimates must come into being. Inevitably, the same problems that had brought the reorganization to a head would come up again, probably with greater force, with respect to national estimates when produced in any quantity. In short, the problem still existed, or was in prospect as to whether the chief of the estimates group would be recognized as a deputy for estimates. The problem, however, had not yet arisen in concrete form, and no positive steps were taken to prepare for it.

After the reorganization, the Office of Research and Evaluations continued to function much as it had before. Its "mission," as approved by the Director on July 23, 1947, was as follows:

A. Within the framework of the mission of the Central Intelligence Group and the overall plans, policies and procedures governing the operation of the Central Intelligence Group, the mission of the Office of Reports and Estimates is to:

1. Produce and present national intelligence utilizing all available intelligence and intelligence information in order to:

(a) Provide the National Intelligence required for national policy and operational decisions and national planning.

(b) Assure to the maximum practicable degree that the United States will not be strategically surprised by any foreign nation or combination of nations due to being inadequately informed.

2. Assess the adequacy, accuracy, relevance and timeliness of intelligence and intelligence information in order to assure that all significant fields of intelligence bearing on the national security are adequately exploited.

3. Coordinate the development of intelligence requirements of the Departments represented on the Intelligence Advisory Board and formulate the National Intelligence Requirements, transmitting them to the appropriate agencies for action.

4. Recommend plans, policies and procedures for coordinating the production of intelligence by the several agencies of the Government and upon their approval by the Director, carry them into execution in order to promote a coordinated national intelligence effort.

5. Maintain and operate such centralized intelligence processing and correlating organizations required by the Central Intelligence Group as may be assigned by the Director.

B. In carrying out its mission, the Office of Reports and Estimates as the exclusive research and evaluation agency of the Central Intelligence Group will:

1. Conduct intelligence research, utilizing pertinent intelligence information and intelligence furnished by all sources, producing therefrom and presenting National Intelligence.

2. Evaluate intelligence information reports furnished by the Central Intelligence Group agencies for accuracy, adequacy, relevance and timeliness and furnish such evaluations to the agencies concerned in order to effect improvements in reporting, and when deemed necessary, perform similar services for other agencies furnishing intelligence information.

3. Prepare, keep current, and upon approval by the Director, execute an Intelligence Production and Presentation Plan in order to assure coordination of the production of intelligence relating to national security and its timely presentation to the President, the members of the National Intelligence Authority, the Departments represented on the Intelligence Advisory Board and to such other agencies of the Government as may be directed.

4. Recommend intelligence research projects as the need may arise and provide for their coordinated production as circumstances may require.

5. Coordinate the formulation of intelligence requirements by the Departments represented on the Intelligence Advisory Board and formulate any additional intelligence requirements developed by the Central Intelligence Group. Correlate and combine these several intelligence requirements into National Intelligence Requirements and, in cooperation with the Departments represented on the Intelligence Advisory Board, keep them current.

6. Transmit requests for intelligence information based on the current National Intelligence Requirements and study outlined in (7) to the Office for Collection and Dissemination for collection action.

7. Continuously study the coverage being afforded by reports of intelligence information and determine:

- (a) Adequacy of coverage
- (b) Timeliness of receipt of information
- (c) Important fields not covered
- (d) Relative importance of fields not adequately covered

8. Provide for the intelligence needs of the State-War-Navy Coordinating Committee, the Joint Research and Development Board and the Atomic Energy Commission in accordance with policies and procedures mutually agreed upon by the heads of those agencies and the Director.

9. Operate an intelligence reference center to provide a central index of useful intelligence information and intelligence available in the United States Government and in other appropriate sources so that this intelligence can be made readily available to the

Central Intelligence Group, the Agencies represented on the Intelligence Advisory Board and other specifically authorized agencies. Also operate a working intelligence reference library and document center to meet the specific needs of the Office of Reports and Estimates and of the Central Intelligence Group as a whole.

This was in accordance with an official Central Intelligence organization chart (see Tab F) published July 1. The actual status of office organization, however, could be represented by Tab G whose purpose is to emphasize the inexact relationship that always existed in the Office between those who produced intelligence and those who reviewed it.

TAB G

FUNCTIONAL SCHEME 1946-1950

Assistant Director
and Deputy

"Intervening" Groups

"Producing" Groups

The "intervening groups" (as noted in Tab G) went under a number of different names during the four years under discussion. They were sometimes unified and sometimes not. From 1946 until the July reorganization above, they were one; thereafter until October 1949 they were

two; then until the inauguration of the Office of National Estimates, they were again one. Regardless of name or number, they always performed the same general duties.

The "intervening group" that dealt with current intelligence became more and more occupied with daily routine as time went on and as the status of the current publications as well as the editorial functions of the current group became accepted. The element concerned with estimates was not able to develop a comparable routine because of the non-recurrent nature of its work; its difficulty in convincing the "producing" groups of the importance of the estimates program, and its ever-evolving difficulties with "coordination."

The point to be borne in mind, however, is that these "intervening" groups were not boards of review. They could not function even in a true editorial capacity. Disagreements over current or estimates copy, even of the most trivial kind, had to be settled on the basis of discussion and agreement. The only person with acknowledged right to insist on a solution, even in the case of trivialities, was the Assistant Director.

There was a reason for calling the Regional Branches "producing" components. Through tacit consent, if not by official decision, it became the policy of the Office that only the regional and functional branches (plus the "Global Survey Group") could "produce" intelligence. The Staffs might propose intelligence to be produced, or might propose

changes in intelligence as written, but they could not "produce" intelligence--that is to say, write first drafts, or substitute drafts for those offered. Even the Assistant Director, though he was theoretically in position to do so, would not have attempted to draft an estimate. All first drafts were written within the Branches. They were seldom written by the Branch chiefs or even the senior analysts, however, but rather by the particular analyst concerned with the particular subject under discussion.

Drafts so written naturally had to be modified before a final product eligible for delivery to the official distribution list could be published. Detailed knowledge of an area did not guarantee that an individual could analyze the problems arising from that area in relation to current problems of foreign policy or that he could render his analysis intelligible even though it were correct. Hence drastic editing was likely to be a primary requirement.

The central internal problem, therefore, continued to be concerned with the review function as it had been under the Intelligence Staff. Although the loose organization currently adopted did not solve the problem, it was not unworkable in the small office then existing.

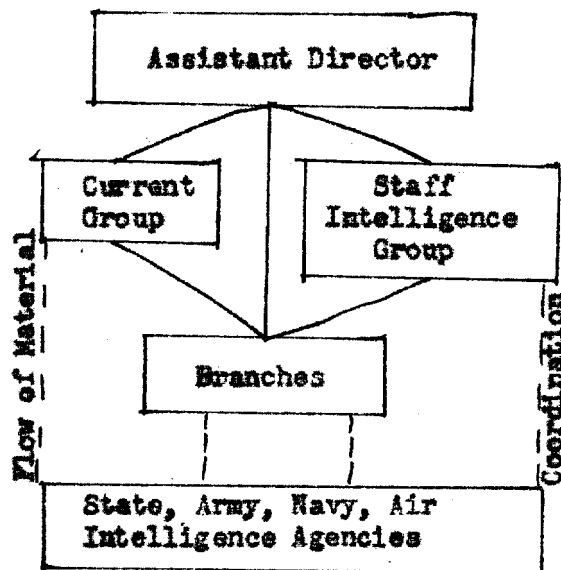
With reference to its external as well as internal functions, the organization of the Office can be represented as in Tab H, which shows the nature of relationships with the Intelligence Agencies of the Intelligence Advisory Committee. It was from these Agencies that almost all raw intelligence came into the Office. The daily traffic so delivered

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came in the first instance to the Current Group which distributed it to the Branches. Other material was distributed to the Branches direct. Part of the coordination process--particularly that which went on during the preparation of an estimate--was carried on by the Branches on an informal basis with "opposite numbers" in the Agencies. The process of coordinating finished drafts, however, was in the hands of the Estimates (later named Staff Intelligence) Group. (See No. 9 for more detailed explanation)

TAB H

PROCESS OF REVIEW AND COORDINATION, 1947-1949



DEVELOPMENTS DURING 1948

The year 1948 gave the Office of Reports and Estimates its best chance to develop because the period was relatively free from violent internal change. It was a year which placed heavy demands on intelligence, and with such limited experience as lay behind it, the Central Intelligence Agency would almost certainly have had to feel its way along new paths. In consequence of its own history, however, the Office of Reports and Estimates was particularly handicapped in this respect.

The changes that had been made in this Office toward the end of 1947 were, in a sense, no more than a personal triumph for one group of people over another group of people. These changes did not represent the acceptance of one point of view in preference for another. The one established activity--production of the current intelligence summaries--continued to occupy a predominant position in the Office. This position was reinforced through a body of opinion which held that the Office of Reports and Estimates could discharge its function through the production of current intelligence alone.

It is not possible to find this opinion stated as a doctrine. It must be inferred from incidental statements and from the activities of the office. (See No. 15 in particular on this subject) It existed, nevertheless, and represented a defensible point of view. The theory was that if the "intelligence picture"--that is, day-to-day events in

every country in the world or each country of importance--were kept current, then the makers of policy would have no reason not to be able to deal intelligently with current problems. If, in addition, the intelligence organization were to exercise constant vigilance to perceive in advance developments that would come to be of concern to policy, then the whole duty of intelligence would have been performed.¹

The concentration of effort during 1948 was in this direction. The work occasioned by the two intelligence summaries took priority over all other activities. The adoption during this year of the "CIA Comment" upon items of news published in the Daily (See No. 10) gave increased credence to the theory that current intelligence would suffice because these "Comments" enabled the Office of Reports and Estimates to present the Security Council with daily interpretations as well as facts. Simultaneously, the Weekly was allowed more freedom of interpretation. Whenever it seemed necessary, these two channels could be supplemented by "Special Evaluations" (See No. 10) in the course of which the Office might present a fairly extended estimate directly on receipt of the essential information rather than after deliberation and, of course, inter-agency coordination.

These might be further supplemented by what amounted to memoranda from Branch Chiefs directly to the Director of Central Intelligence, whereby the Director, if he chose, could make known the Branch views on a given subject to those in authority. The risks inherent in the latter method of dissemination were so manifest, however, that few memoranda of this type were actually delivered.

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1. This point of view is further discussed in No. 15
("Situation Reports," pp.

It should be noted in addition to all this that the Office of Reports and Estimates was currently in charge of weekly "presentations" at which the Director--or if not, those wishing to attend--could be "briefed" orally on the world situation as it stood as of that date.

The inauguration at this time of the "Monthly Review" (which was in actuality quite a different thing as noted in No. 11) indicates further the attitude regarding the importance and sufficiency of current intelligence.

The adequacy of current intelligence for the discharge of the duties of such an organization as the Office of Reports and Estimates may be subject to dispute, but the fact remained that the function of the office as originally intended was the production of "strategic and national policy intelligence" in conjunction with the established intelligence agencies. As a result of circumstances, however, the "current intelligence" theory just discussed had already gained considerable acceptance before a department specializing in intelligence estimates was even in being.

As has already been observed, this department took form just in time to become custodian of the "Situation Report" program; and at the moment when the summer reorganization divorced it from the Intelligence Staff. In addition, after about four months in office, the highly experienced chief of estimates production resigned from Central Intelligence, leaving a relatively inexperienced assistant in charge.

None of the above developments was calculated to further the production of "strategic and national policy intelligence." The process of steering the Office away from the already established current intelligence program to the more exacting task of producing intelligence estimates would require experienced leadership. Under the circumstances, this would have had to be centered in the Estimates Group where experience was now lacking. Furthermore, circumstances had forced upon this Group the task of publishing all the various types of publications that might come under the headings of "Reports" and "of common concern," which ultimately included such items as Situation Reports, Intelligence Memoranda and the Central Intelligence Monthly Review of the World Situation (See No. 11). It was also left primarily up to this group to devise ways and means of accomplishing inter-agency coordination (See No. 9).

Under these circumstances, although the Office of Reports and Estimates published in the neighborhood of fifty reports and estimates during the year, the Estimates Group was mainly concerned with (a) developing the "Situation Report" program; (b) attempting to develop an estimates program by encouraging the regional branches to produce estimates; (c) discovering satisfactory means of effecting "coordination"; (d) arranging for details of printing and publication, and (e) editing manuscripts of all types.

It was naturally in the course of this last activity that the Estimates Group began to encounter the same type of difficulty that

had proved the undoing of the Intelligence Staff. Again it became apparent that a practical means of achieving final review was needed. As the organization stood, the Estimates Group was in the position where a board of review would normally be found. Unless the Group should be accepted as such, however, it would be necessary to find another means of discharging this function.

THE INTELLIGENCE PRODUCTION BOARD

The accompanying organization chart of January 1949 (Tab I) shows few changes in the Office of Reports and Estimates. The "Estimates Group" is listed as the "Staff Intelligence Group" because according to the third Directive of the National Security Council, all intelligence is either "current", "basic", or "staff", and the Estimates Group dealt principally with publications that came under the third category.

These definitions also account for the "Basic Intelligence Group" which was to have charge of the National Intelligence Survey program now under way. Because this group was wholly concerned with the work of bringing together basic intelligence from all parts of the government--a function which was performed within but was not necessarily directly related to the Office of Reports and Estimates--it is not further discussed here.

The "Global Survey Group" is first officially recognized in this chart which also lists one new component called the "Intelligence Production Board."

The earliest prototype of the Intelligence Production Board is to be found in the "Policy Advisory Board" mentioned in the organization plans of mid-1947 and seen in the Central Intelligence organization chart of October (See Tab J). This was "a Board consisting of Branch and Staff chiefs and such other persons as may be designated by the Assistant Director. It offers advice on all matters pertaining to the fulfillment of the ORE mission. Its meetings will be informal in nature and its function is purely advisory." What was recognized formally in this description was no more than an almost social gathering that had usually taken place on Friday afternoons when the Office had been very small. It continued to be an entirely informal group after it gained recognition. The "Intelligence Production Board" was this same Policy Advisory Board given more than advisory functions.¹

The members of this Board were the chiefs of the staff groups and of each regional branch. The Assistant Director was chairman. According to its charter, the Board would:

- (1) Review the national intelligence production requirements as consolidated by the Plans and Policy Staff.

- (2) Review and approve the periodic issuance of the CIA Intelligence Production Plan and the CIA Presentation Plan

- (3) Review and approve the specifications for each report and estimate not mutually agreed upon between producing components and the staff groups concerned.

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- 1. See memorandum to the Director from the Deputy Assistant Director, Office of Reports and Estimates dated 3 July 1947, containing "a concise statement of the functions of the various sub-divisions of the Office of Reports and Estimates." The informal staff is also discussed in Paper No. "Recollections of the Office of Reports and Estimates".**

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- 1. See memorandum from Assistant Director, Office of Reports and Estimates to Executive for Administration and Management dated December 21, 1948 in Estimate Production Board file.**

(4) Review and approve drafts of reports and estimates not mutually agreed upon between producing components and staff groups concerned prior to the coordination process of the IAC agencies.

(5) Review the ORE finished intelligence productions.

(6) Review the consider problems relating to intelligence production.

It was to be convened by its chairman "in whole or in part for the above purposes, in accordance with the nature of the problem under consideration and the degree to which the separate producing components and staff groups are concerned." It could also be called on the request of any member.¹

According to a pencilled slip in the files of the Office of Reports and Estimates on the subject of the Intelligence Production Board, "Reasons for IPE" were:

"1. To bring together Staff and producing components to discuss prod. problems.

2. Board of review and appeal, w. (?) & advise on ques. involving subs. vs. form."

The handwriting seems to be that of the Assistant Director. This description would support the view that one intention in forming the Board was to promote harmony as between editors and producers within the Office, rather than leave decisions in case of impasses up to the Assistant Director; or to attempt to arrive at a basic decision on relative responsibility of Staff and producing components. Each case in dispute could be brought before the Board for separate decision on its merits. The same principle might be applied to all

cases of intra-office dispute which had been found unamenable to mutual agreement.

The Intelligence Production Board would seem a natural development. So long as full independence was not conceded to the several branches, and so long as the staffs were not so constituted as to be a Board of Review, a committee of responsible Office chiefs would seem a feasible answer to the review question. These men were the expert advisers to the Assistant Director in matters of intelligence. It would seem only logical that he should rely on their collective judgment with respect to the selection of intelligence to be produced and the acceptability of intelligence as produced. Such a group should know what Central Intelligence could and could not say on any subject it was called upon to discuss. The idea of the Board was similar to and no more impractical than those embodied in the Joint Intelligence Committee or the Intelligence Advisory Committee.

The Intelligence Production Board plan might well have been the answer to the review question if it had been seriously adopted and under somewhat different circumstances from those prevailing. As it was, the plan was never really given a try, and it is improbable that it would have succeeded if tried. Certain factors militated against it:

- (1) The plan was probably not conceived primarily as an ideal way of selecting and reviewing intelligence but rather as a means of promoting harmony (See discussion above).

(2) The "Branch Chiefs" were by no means free--any more than the Assistant Director was--to give full attention to the business of the proposed Board. Such an organization, fulfilling its proposed function, would have required full time.

(3) All of the designated members of the Board were not necessarily competent to exercise judgment with respect to broad intelligence estimates.

(4) Certain elements in the situation made complete frankness, and therefore fully impartial selection and review improbable in all cases.

(5) A committee with upwards of fifteen members might become somewhat unwieldy, despite the clause allowing for convening the Board in part.

(6) Finally, there was the question of decision. If the Assistant Director intended to make all final decisions himself, he would be little better off with a standing committee than without one. If, on the other hand, (as the existence of the committee implied) decisions were to be made by some form of majority vote, the result, though it might be to divide responsibility, would not necessarily be to improve estimates.

Apart from such contrary factors as these, the Intelligence Production Board might easily have become a final Board of Review, so constituted that it could handle the type of problem that had resulted in the disestablishment of the Intelligence Staff and was currently

being faced by the Staff Intelligence Group. Actually, however, the Intelligence Production Board as an official entity, seems to have met only twice. Both of these meetings were called by the Chief, Plans and Policy Staff in the name of the Assistant Director for discussion of an agenda apparently prepared by the same.

The first meeting was announced on December 23, 1948 to be held on January 13, 1949. The agenda comprised:

- "a. Proposed Intelligence Production Plan for the first Quarter 1949
- b. Proposed National Economic Intelligence Production Requirements
- c. Memorandum to AD/ORE dated December 1948, Subject: Intelligence Requirement for the Government Foreign Information Program."

No record has been found showing what action, if any, was taken on any of these three items.

The second meeting was called for March 22 but was postponed until the 30th to discuss proposals advanced by the current intelligence group for changes in the Weekly Summary. These proposals were apparently discussed, and conclusions were reached by the Board somewhat at variance with them. Neither the proposals nor the modified version adopted by the Board seem to have been applied to the Weekly.¹

Although the members of the Intelligence Production Board probably continued to meet informally after March 30, they apparently did not

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- 1. 1st and 2nd Meetings of the Intelligence Production Board are in File "Estimate Production Board"**

convene again formally as a "Board of Directors" until after the Estimates Production Board, consisting of the same officers, was formed seven months later.

What became of the Intelligence Production Board was, of course, largely a matter of the Board's own choice. Under its charter, it could have taken over the essential functions of the Office of Reports and Estimates. Its reasons for not doing so and for allowing itself to become a dead letter do not appear in the records. In many cases what its members did, both as the Intelligence Production Board and later as the Estimates Production Board, was to allow the Staff Intelligence Group to do in fact what the Intelligence Production Board was designed to do in theory.

Despite the pretensions of the Plans and Policy Staff regarding "consolidation" of "requirements" (see p. 19 above item (1)), it was actually the Staff Intelligence Group that "consolidated" the "Quarterly Production Plan." It was this Group also that brought estimates to final form for distribution to the Agencies--had charge of the review function in other words--and superintended the coordination process. Where disagreements with branch analysts and their chiefs arising in the course of the review process called for a decision, the Group brought the cases to the Assistant Director who might have but did not call on the Board for help. In cases that did not reach the Assistant Director, the solution was by staff-branch compromise often unsatisfactory to both.

THE REORGANIZATION OF 1949

It was during 1948, when the Office of Reports and Estimates was producing much current and some "Staff" intelligence under the system just described, that the Dulles-Jackson Committee was investigating the Central Intelligence Agency.¹ It was thus primarily on the basis of this system and its achievements that the Committee made its statement to the effect that the Director of Central Intelligence had failed to discharge his responsibility with respect to coordinated national intelligence.

The Dulles Committee's proposals for improvement were radical so far as the Office of Reports and Estimates was concerned. They would involve the establishment of (1) a small, select group dedicated to the production of coordinated national intelligence estimates, and (2) a larger group devoted to "services of common concern." As can be inferred from the Comments on the Committee's report furnished by the Director of Central Intelligence on February 28, 1949, these proposals were regarded as of dubious merit.

According to the Comments, however, opinion on the subject was divided within the Office of Reports and Estimates. If the Committee recommendations meant the establishment of two separate and independent offices, one for the production of national intelligence and the other for production of services of common concern, the office did not agree. If the idea was rather to establish a "small estimates division" within the Office of Reports and Estimates (this being

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- 1. See History of the Central Intelligence Agency,
Chapter VIII, pp. 30-47**

what was meant by the phrase "is to be large enough to provide its own relatively high level research support") then according to the Comments, "the recommendation is workable and might result in simplification of the process of producing estimates." The Committee's recommendation in general, however, was called "premature."

The phrase, "opinion is divided" reflected the fact that one element within the Office of Reports and Estimates favored forming some sort of "small estimates division" within the framework of the office, so constituted that it would be able to produce the sort of intelligence designated by the Committee as "national" as opposed to the marginal types of publications that the Committee had criticized. The other element resisted even this degree of change within the office, and in general preferred the status quo.

As to the other part of the Dulles Committee's recommendation (Chapter V, p. 81, (3)) that the "division" would "draw upon and review the specialized intelligence product of the departmental agencies in order to prepare coordinated national intelligence estimates," opinion was not divided but was united in opposition. This suggestion was contrary to the whole theory of operation on which the Office of Reports and Estimates (since its establishment in 1947 as a research group) had operated. A Central Intelligence Agency that simply "reviewed the product" of others in order to produce coordinated estimates would be no Central Intelligence Agency

at all in the view of those concerned. It was in order to avoid this essentially static function; and at the same time to produce intelligence for the National Security Council which would not be dictated by departmental bias, that the Office of Reports and Estimates believed it existed.

Hence the conclusion put forward by the Central Intelligence Agency which in essence said that something in the nature of what the Committee had proposed might be feasible but that it should not be attempted at once. It was, as the Central Intelligence comments repeatedly point out, unreasonable to expect to achieve the desired ends in the production of national intelligence by revision of the structure of the Central Intelligence Agency without reference to the status and responsibility of its contemporaries in the total intelligence structure.

During the remainder of 1949, nevertheless, the problem continually faced the Office of Reports and Estimates, as to what steps if any it ought to take. As the very appointment of the "Reitzel" and "Stout" Committees (See Nos. 6 and 7) demonstrates, the Office was not unaware that its record to date in the planning and production of intelligence had left something to be desired. Admitting, however, that there was room for improvement, the question still remained as to whether another Office reorganization would necessarily bring it about; and if so, what type and degree of reorganization.

It is probable that, without the Dulles-Jackson Committee Report, no important change would have been undertaken in 1949. Instead, more time would probably have been allowed to pass during which it could be proved whether the loose, informally understood relationships that really governed the Office with respect to intelligence production would not eventually work out satisfactorily. The Dulles Report, however, was categorical and called for a categorical answer. It was true, especially after the adoption of "NSC-50," that an answer was not mandatory;¹ yet if nothing whatever were done by the Office of Reports and Estimates in the face of so much clearly expressed dissatisfaction, the Office would be left vulnerable in case of any future intelligence failure.

This was the background of the reorganization that went into effect in October 1949. This reorganization may have been an honest attempt to effect a beneficial change in accordance with the Dulles-Jackson recommendations; while at the same time avoiding such drastic revision as to cause consternation and paralysis. It may also have been a conscious effort to make apparent changes to allay criticism without making any actual change in the complexion of the Office.

Putting aside the Committee's recommendation for separate estimates and research groups, which was probably not given serious thought, the question before the Office of Reports and Estimates was whether or not to create a "National Estimates Division" of its own. It would have been perfectly feasible to comply in this way with the Dulles-Jackson

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- 1. See Darling, A. B. on General McNarney,
Chapter IX, pp. 24-38**

recommendations. It would have required no more than (a) establishment of the Division; (b) the elimination of other components of the Office concerned with review and coordination, and (c) designation of the new Division unequivocally as a final board of review. Such changes, though more far-reaching perhaps, would in essence have involved the same decision that had arisen in connection with the Intelligence Staff and thereafter.

These (in themselves) small changes having been made, the office as a whole could have been left essentially intact. Most of the regional and functional Branches, by this time, were reasonably well organized for the purpose they would have been called upon to serve as adjuncts to a "national estimates" system such as would have resulted. Their specialists had received training, through experience, in the analysis of intelligence for "national" purposes. Through such a branch organization, the "estimates division" would have been enabled to arrive at a balanced understanding of intelligence received from whatever source. Thus the Division would not have to be wholly dependent on Agency intelligence and advice which had sometimes been found wanting in the past.

It was the collective Branches, however, that furnished the principal opposition to the proposed change. Two major reasons seem to have motivated this opposition. Up to this time, the regional branches had been able to retain a sort of tacit veto over Central Intelligence publications (See above pp. 24-26). This, as has been

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pointed out, was largely by custom rather than regulation, but it was an established fact. If an "Estimates Division" such as had been proposed were established, it was generally understood, or feared, that it would write its own draft estimates if it chose to do so, and that it would revise or rewrite branch drafts as it saw fit. This development alone would have been unacceptable to the Branches.

At the same time the Branches had looked with concern and disfavor upon the Dulles Committee's recommendation that "reports" and "services of common concern" be divorced from the national estimates process. Under this recommendation, they feared that their principal function would be with respect to what they considered various forms of intelligence drudgery.

This is not to say that Branch opposition to an "Estimates Division" was altogether founded in considerations of prestige. The belief (see discussion of Intelligence Staff above pp. 19-20) still persisted that non-experts should not be permitted to alter the statements of intelligence analysts who alone could speak with authority. It was a sincere belief. If, as was to be assumed, the proposed estimates division would be made up largely of persons considered by branch "experts" to be amateurs, it followed that it would be a grave mistake to make them directly responsible to the Director for the intelligence on which the National Security Council would have to depend.

However advisable the establishment of an estimates division may have seemed in 1949, this element of opposition within the Branches

could not be taken lightly; for unless the Branches chose, or could be made to accept the new plan without reservation, they could seriously impede the proposed national estimates division in the discharge of its functions. (See, for example, the experience of the Special Staff below pp. 47-59) The choice, then, (aside from doing nothing at all) was to institute the new system without reference to the Branches or to find a substitute plan which might allay criticism without compromising their position.

It was the latter course of action that seems to have been adopted. The resultant change (See Tab K which reflects it in part) involved (a) the abolition of the Intelligence Production Board; (b) the establishment of an "Estimates Production Board"; (c) a merger of the "Staff Intelligence" and "Current" groups into one Staff called the "Publications Division," and (d) the establishment within each "producing" branch of an "estimates group."

The central feature of this plan was the "Estimates Production Board." That the "Estimates Production Board" was the "Intelligence Production Board" revived and renamed goes without saying. The "new" Board, however, was presumably to be the immediate answer to the demand for an "Estimates Division." As in the case of the Board's predecessor, there was no apparent logical reason to suppose that it could not satisfy the demand. Aside from the still applicable objections to the Intelligence Production Board noted above, however, it would be necessary, in order to make this Estimates Production Board function

in the manner of an "Estimates Division," to allocate to it the functions of final review and coordination. Doing so would further entail certain obvious alterations in the extant staff structure to eliminate other groups concerned with these functions. This was not accomplished through the amalgamation of the "Staff" and "Current" groups.

Whether these staffs were two or one, of course, made no difference whatever with reference to the problem at hand. The point lay in what they would do with reference to the national estimates function. Certain routine duties that had come under their charge, such as multigraphing the current intelligence summaries, or preparing copy for the printer, would have to be carried on by a subordinate office in some form. Their essential functions, however, having to do with selection and review of intelligence would now belong solely to the Estimates Production Board. Otherwise, the two divisions, whether separate or combined, would continue to have the most effective single voice regarding the current intelligence summaries; carry similar weight with respect to "staff" intelligence, including estimates; be the principal element in the selection of new projects, and have virtually sole charge of the process of inter-agency coordination.

How the Board went about taking over these functions would be a matter of detail. Technically at least, the new "Publications Division" was in the position of Agent for the Board with respect to "publication" in all forms. It would have been possible for the Board to treat it

as such, allocating such routine matters to the Agent as seemed convenient, but reserving to itself all essential functions of selection, review, and coordination.

To have done this would have required full-time work. It would not have been possible for the members of the Board to continue as working "Branch Chiefs" while doubling as an "Estimates Division" such as had been proposed. This was self-evident. But for whatever reason, the Branch Chiefs kept on as Branch Chiefs rather than becoming a board of final review. The Board made no serious attempt to interfere with the work of the current and staff intelligence groups which continued, in the form of one office, to do what they had always done previously in two parts.

The Estimates Production Board--though it may have been, as one of its members called it, "virtually the Senate of ORE"--followed the path of its predecessors into disuse.¹ Records show that it had held five formal meetings from its establishment to February 17, 1950 but not that it accomplished a great deal in the course of these meetings, or that it met thereafter.

Thus the establishment of the Estimates Production Board had no effect. The other part of the "reorganization"--the establishment of the Branch "estimates groups"--was equally futile. It may have been thought that if a group of senior analysts were made responsible within each Branch for the material offered for publication by that branch, first drafts of better quality would result. This, in turn,

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- 1. See memorandum from Chief International Organizations
Branch to AD/OEE**

might make for final publications of a more "national" character. In this sense, these "baby estimates groups" might be a further answer to the Dulles Committee's demands. Whatever their intended purpose, however, the "branch estimates groups," in actual practice, did not become more than branch editorial offices, most of which had already been in existence long before the reorganization.

It might be said, in short, that the total effect of the October 1949 reorganization was to preserve the status quo. It succeeded, nevertheless, in introducing new confusion even into the status quo. This was to be demonstrated at the outset of the Korean war.

THE "SPECIAL STAFF"

The reorganization of October 1949 remained in effect in the Office of Reports and Estimates until a year later when the Office of Reports and Estimates was eliminated altogether. Meanwhile, there was one change in operating procedures, involving a temporary estimates staff, that deserves mention.

The Assistant Director's "Special Staff" was an expedient designed to meet an emergency. After the North Korean invasion of South Korea, the Office of Reports and Estimates, as organized, had proved unable to deal satisfactorily with the problems that ensued. There were intra-office disagreements over the correct estimate of the situation in which the opposing points of view represented the consensus of different regional branches. The Estimates Production Board, in other

words, was at odds within itself. In the absence of any other established method of resolving such disagreements, the whole weight fell on the shoulders of the Assistant Director.

The Assistant Director was not omniscient. Faced with conflicting views on matters of the gravest immediate moment, he could not be certain which was correct, nor could he be expected to formulate an intermediate view of whose authenticity he could be any more certain. One answer might be a personal staff--a sort of ad hoc committee--which would aid him in the production of intelligence so long as the emergency created by events in Korea should last. This seems to have been the general background of the appointment of the Special Staff.

Authority for the Staff's existence lay in "ORE Operating Procedure--Order No. 15" dated 3 July 1950 and signed by the Assistant Director. This memorandum (1) "established in the Office of the Assistant Director, Office of Reports and Estimates, a Special Staff for the purpose of advising the AD/ORE on all matters arising from the situation in Korea;" (2) charged the Staff "with responsibility for preparing reports and estimates bearing on the present crisis" and authorized it to "call upon all producing components of ORE for such information draft reports, oral briefings, etc., as may be required"; (3) appointed eight members to the Staff, and (4) relieved them from "all duties with their present divisions." A second "Operating Procedure" (Instruction No. 27) dated 12 July, somewhat elucidated the

first. Its main provision was that "The creation of the Staff in no way alters the fundamental relationships of the AD/ORE with the various ORE components." It specified office procedures for handling business through the Staff.¹ A third Operating Procedure (No. 18, August 3, 1950) assigned an "Executive Secretary" to the Special Staff who was to "receive and despatch communications pertinent to the implementation of Reference (2)" (Operating Order No. 27) and "act for the AD/ORE on administrative and intelligence matters incident to such operations."

It seemed to be made clear through the second Operating Procedure that although the Assistant Director may have found the organization adopted in 1949 wanting in the emergency, he was not prepared to alter it to the extent of abolishing any former procedures. In his capacity as producer of intelligence estimates on the very grave but presumably temporary situation in Korea, he had simply invoked the aid of a new staff. Ostensibly, nothing else was changed.

This official explanation, however, did not answer all underlying questions. Initially the Staff was limited to matters related to Korea and for the duration; yet under the circumstances, there could be no estimates of any importance that did not at least bear some relation to the momentous events in Korea; and it was impossible to foresee, in the summer of 1950, how long the emergency would last. Under its charter, the Staff could be confined to a few specialized estimates,

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- 1. For these and other documents related to the Staff, see folder in Historical Collection marked "Special Staff"**

or might be made responsible for almost any estimate that was likely to be written. What it was to do thus became a matter of interpretation. (See below pp. 53-55 for Staff estimates actually undertaken.)

There were superficial resemblances between the Special Staff and the 1947 Intelligence Staff. It brought to mind also the Estimates Group recommended in the Dulles Report. The Special Staff was a small group, primarily of "estimators," associated with the Assistant Director, and charged with the responsibility for production as well as review of intelligence that was "national" in character. This ad hoc committee could easily be transformed into the fully responsible "Intelligence Staff" so long successfully opposed in various forms by the Branch organization within the Office of Reports and Estimates.

Certain indications, partly in the attitude of the Assistant Director and partly in the nature of the staff, suggested that some such responsible group might be in the making. In private conferences, the Assistant Director told the Staff that they should consider themselves to be his personal representatives in dealings with the Branches. They could and should go to the Branch Chiefs armed with the full authority of the Assistant Director. If such a mandate were put into practice, it would imply a considerable change in inter-office relationships. It could hardly be taken as having no effect on the status of the Estimates Production Board, for instance.

It was also notable that the Assistant Director took an active part in the work of his new Staff. To its predecessors, he had never

given more than limited, ex-officio attention; to the Special Staff he gave constant and personal attention. Staff headquarters were established within the so-called General Division (a recently enlarged group engaged in the study of Communications Intelligence) and in these headquarters, the Assistant Director spent all the time that could be spared from his other official duties. For some weeks, the Staff was almost constantly in session with the Assistant Director in the chair. In a sense, rather than delegate the intelligence functions of his office to someone else--as had often been urged upon him--the Assistant Director had reserved these functions to himself while delegating the remainder of his tasks to his Deputy, who, in turn, had little if any connection with the Staff. This was, of course, under unprecedented emergency conditions; yet it represented a theory with possibilities of future application.¹

As to the Staff itself, the proviso that it should "prepare" reports and estimates might be significant. No previous board concerned with intelligence production (e.g. the Intelligence Staff; the Staff Intelligence Group) had had direct responsibility for "preparation" of estimates. Indeed (see p. 31 above) this had been a function expressly denied them by custom if not by decree. "Preparation" meant that the Staff would write its own drafts of intelligence estimates, even though they dealt with matters within the professional competence of one or another regional branch. Such a function had always been part of the

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1. The following description of the Special Staff in session was written by one of its members in September 1950:

The Special Staff in solemn conclave sits,
And weighs in balance pieces versus bits:
The looming menace of a worldwide clash--
A missing comma or a doubtful dash--
Whether invasion of the Isles of Greece
Would seriously shake the shaky peace--
Whether the State Department bye and bye
Will, with the Special Staff, see eye to eye,
Or, by inducing CIA to wander,
Will leave the Air Force in the wild blue yonder;
Whether, in short, this age of storm and clamor
Cannot be remedied through English grammar.

Sometimes the errant muse sits heavily
Upon the teeming brains of two or three,
Who, with a flash of inspiration bright,
Perceive that "probably" might well be "might"--
A notion hotly shouted down by those
Who think that "probably" makes better prose,
Besides the fact that substituting this
Might dangerously change the emphasis
Hence soon both "might" and "probably" are dead;
The Staff decides on using "could" instead.

Meanwhile the sun, within his orbit due,
Is west of Constitution Avenue;
Yet labor on the Staff in shadows drear
While Indochina wobbles toward the Sphere,
While momentarily a present neutral nation
Might, with the Obit, seek accommodation;
While in Korea there are grisly scenes
As fight the Leathernecks--OH Marines.

Yet through it all, our Nation, Brave and Free,
Is blessed with absolute Security,
For even though the Russians, drunk with power,
Should seek to settle on the fatal hour
When they would rend our Country bit by bit,
The Staff would thwart them with an Estimate,
Coordinated throughout ORE
Til only six Divisions disagree.

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Embellished with irrelevant dissents,
(Both State and Army sitting on the fence.)
This Estimate, our Nation's main reliance,
Through which to face the Kremlin with defiance
Shall yet the Russian menace dissipate
When published--three to eighteen months too late.
Down to defeat the Kremlin then shall go,
Its minions lying prostrate, and/or low.

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theory of a responsible "Estimates Group" or "Deputy for Intelligence." The ability of the Branches to usurp this function was a necessary feature of the position they had maintained in the Office.

One other aspect of the situation might have been taken as evidence of intent to make the Special Staff something more than an ad hoc committee on Korea. If the Staff had been created solely to advise the Assistant Director on Korean matters, it would have been logical to expect that it would be made up primarily, if not exclusively, of experts on Korea, plus perhaps specialists on China and the USSR. Actually, of the eight men appointed to the Staff, none was exclusively an expert on Korea; only one specialized in the Far East, and but one was a specialist on Soviet Russia. Of the other six, one specialized in Near Eastern affairs and one in those of Central Europe; the other four were not specialists at all. If they had any one qualification in common, it was a general familiarity with the intelligence estimative process, as such.

No member was a "Branch Chief"; three were deputies of Branch Chiefs. Seven of the principal "components" then existing in the Office of Reports and Estimates (Global Survey, Western Europe, Near East, Far East, General Division, and the Publications Division) were "represented" on the Staff. Six (Latin America, Northern Division, Economics, Transportation, International Organizations, and Plans and Policy) were not. It was apparent that the Staff had not been

selected on purely representative lines as had been the case with almost all other Office boards and committees of any importance (e.g. the Production Boards and the Reitsel and Stout Committees). If the custom of "component" representation had been broken, and if general "estimators" outnumbered area specialists, it was not illogical to infer an essential difference between the Special Staff and its predecessors. Since the Staff was obviously ill equipped for the first part of its official function (to advise the Assistant Director with respect to Korea), it appeared likely that it would concentrate on the other part which had to do with production of intelligence estimates. In point of fact, this was what it did.

Records dated August 7 show that the Staff had "completed action" on twelve items, the most important of which were: "Consequences of the Korean Incident" (July 8); "Soviet Capabilities with respect to Japan in the Light of US Commitments in Korea" (July 7 and 10); "Effects of a Voluntary Withdrawal of US Forces from Korea" (July 10); two memoranda concerning enemy intentions and capabilities with regard to Taiwan (July 17 and 27); a paper on the possible use by the enemy against Japan of Japanese Prisoners of War captured in 1945 (August 4); a brief comment on the implications of the return of the USSR to the United Nations (July 28), and two papers having to do with the possibility of Soviet aggression against Iran and in the Balkans (July 27 and 29). It should be noted that all of these were in the form of "Intelligence

Memoranda" or "Special Evaluations," which meant that they could be sent directly to the Director and distributed by him without benefit of inter-agency coordination thus eliminating delay.

In preparation on the same date were six items having to do with (1) the possibility that the Communists would hold "elections" in territory then held by them in South Korea, thus presenting the United Nations with a "united" Korea as a fait accompli; (2) an analysis of various courses of action open to the United States in Korea; (3) an estimate of the world reaction, particularly in the North Atlantic Treaty countries, of a decision on the part of the United States to employ atomic warfare in Korea; (4) an attempt to glean Soviet policy by observation of Malik's conduct in the United Nations; (5) an attempt to determine the nature of relations between the USSR and Communist China, and (6) an attempted re-evaluation of evidence in the possession of American intelligence showing that the USSR was or was not preparing for immediate war. This last project, which had been prompted by evidence recently uncovered by the General Division, was considered the most important of the six. Under the code name of "Project 64" it was to have become a major study which would coordinate the efforts of all parts of the intelligence structure toward finding an answer to the question.

In addition to tackling the problem of intelligence production, the Staff attempted to do something about the companion problem of

"programming" which had been the principal subject of the report made by the "Stout Committee" (See No. 7) four months previously. A sub-committee of the Staff was appointed for the purpose of determining what further studies in addition to those completed or in process, needed to be made as a result of events in Korea. The sub-committee on August 15, recommended certain "major fields of study" in which such estimates should be produced, among them being: the power status of the USSR; Soviet intentions and political capabilities for military aggression; Soviet intentions in the United Nations; possible areas where the USSR might attempt further aggressions on the model of Korea; the probability of direct Soviet military action; the implications of the Korean war for the United States, and consequences of various possible settlements of the Korean war. In addition, on October 24, the same sub-committee proposed certain other projects in the form of detailed questions that needed to be answered. Eliminating the detail, these were: what changes had occurred since June in the military posture of the USSR; what weaknesses existed in the political, social, and economic structure of the USSR; how great was the power complex then developing in the "satellites"; how critical was the Central European area in the balance of power; what would be the value for the USSR at that time of a conquest of Europe and the Near East;¹ what would be the future capabilities of Western Europe with American help; to what extent was the Far East becoming sympathetic with the USSR; to what extent were Chinese Communist foreign policies dictated by the USSR, and what was the actual position of India in foreign affairs. The Staff was never able, of course, to

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1. This question had already been treated two years earlier in ORE 35-48

produce estimates on any of the above, but the list was passed on to the Office of National Estimates.

Two things should be evident about the Special Staff; first, that potentially it represented accomplishment of the idea of a responsible "Estimates Group" that had so regularly failed of acceptance during the previous four years; and second, that under the circumstances in which it was conceived, it could never have realized that potentiality.

Even aside from the approaching reorganization of the Central Intelligence Agency, it would have been difficult if not impossible for the Staff to prevail as a responsible estimates group against internal and external opposition. The orders of July 3 and 12, whether or not they seemed to do so, had not clarified the relationship between the Staff on one side, and the Estimates Production Board, the Publications Division, the various Branch estimates groups, and the Branch organization in general on the other. Even for purposes of dealing with estimates having to do with nothing but the Korean war, that relationship would have required eventual clarification. The order of July 12 had said: "The creation of the Staff in no way alters the fundamental relationship of the AD/ORE with the various ORE components." That of July 3 had said: "...the Special Staff will call upon all producing components of ORE for such information, draft reports, oral briefings, etc., as may be required." The one implied that Branch prerogatives were unchanged; the other said that the Staff could "call upon" the Branches for service. Yet if it were true that the "fundamental relationship" between the Assistant Director and the Branches had not been altered, then there was no need for Branch

Chiefs to comply when they were "called upon". Such a situation could not go on forever.

While the Assistant Director held the key to the situation by virtue of the authority he enjoyed under the Director of Central Intelligence, the Branches held another key in the form of their monopoly of information. This statement may seem contradictory, but it holds in the special circumstances under discussion. It is true that information came into the Office of Reports and Estimates from State, the military departments and from other sources, and that none of these was any more closed to the Staff than to the Branches. Yet it was the Branches that had the organization to absorb the information, the files to retain it, and the specialists to interpret it. A staff member, in other words, might form a hypothesis of whose truth he felt reasonably certain, but if he sought to substantiate it, he must have reference to those better informed than he on special supporting points.

Granted that the Assistant Director had the authority to make any use he wished of Branch facilities, and that it would be rank insubordination for any Branch analyst or chief to decline to elicit any information he needed, yet the problem cannot be realistically stated in those terms. The point is that the Staff could not proceed very far in the actual preparation of intelligence estimates without calling upon the Branch for aid. The result---whatever may have been the technical relative position of Branch and Staff---was to put the Branches in an actual position of ascendancy. Inasmuch as the Branches were still as determined as ever to maintain their position as against any staff, or even editorial authority

over them (see discussion above) it was probable that they would make use of this advantage to insist upon their views as against the point of view of the Staff and to imply that, after all was said and done, only they were competent to write estimates.

The Assistant Director had then the choice of acting contrary to his experts' advice and inviting possible penalties for doing so; or of taking the occasion to make radical changes in his organization to the extent of ridding it of those who opposed the Staff idea. The time was hardly favorable for the latter approach. The tendency, therefore, as it appeared toward the end of the summer, was a drift back toward the status quo ante.

The Staff also faced the problem of inter-agency coordination. The need for swiftly transmitted "Intelligence Memoranda" (see Paper No. 14) was demonstrable under conditions of the earliest days of the emergency, but that urgency could not indefinitely justify circumvention of National Security Council Intelligence Directives. The estimates to be coordinated would be highly controversial. If they were Staff papers, the Staff would have to take the lead in "coordinating" them, that is, obtaining full agency concurrence (or the nearest equivalent) with whatever might be the Staff point of view, an extremely difficult task under the best of circumstances. If the Staff had to attempt it minus wholehearted cooperation on the part of its own Branch organization, the difficulties would be greatly increased.

The Staff, during its brief history, did not attempt to coordinate many of its papers. When it tried, it usually had trouble. Between Agency hostility to Central Intelligence that had been growing over the years

(see No. 9) and the lack of enthusiasm for the Staff within the Office of Reports and Estimates, the way could not have been easy.¹

The Special Staff was "dissolved" by "O/RE Operating Procedure--- Order No. 21" dated October 26, 1950. The reason given was that "emergency conditions" that had prompted the initiation of the Staff had "stabilized to the extent that regular units of O/RE can now adequately cope with production requirements..." Actually, of course, the forthcoming formation of the Office of National Estimates was about to supersede both the Special Staff and the Office of Reports and Estimates.